Form 3160-3 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0136

Expires November 30, 2000

5. Lease Serial No. **UTU-01791-A**

APPLICATION FOR PERMIT TO	DRILL O	R REENTER		6. If Indian, Allottee	or Tribe Name
la. Type of Work: X DRILL	7. If Unit or CA Agr	reement, Name and No.			
_				UNIT #89100890	00A
	·	Single Zone		8. Lease Name and	Well No.
b. Type of Well: Oil Well Gas Well Other	Multiple Zone	NBU 1021-15	P		
2. Name of Operator KERR McGEE OIL & GAS ONSHORE LP				9. API Well No.	-647-39563
3A. Address		o. (include area co	ode)	10. Field and Pool, o	
1368 SOUTH 1200 EAST VERNAL, UT 84078 4. Location of Well (Report location clearly and in accordance with	(435) 781			NATURAL BUT	
At surface SE/SE 1214'FSL, 1262'FEL 6254	i any siaie req In	39.944	101	11. Sec., 1., K., M.,	or Blk, and Survey or Area
	3754	- 109.53	32.110	SEC. 15, T10S,	D21E
14. Distance in miles and direction from nearest town or post office	,			12. County or Parish	
21.8 +/- MILES SOUTH OF OURAY, UTAH				UINTAH	UTAH
15. Distance from proposed* location to nearest	16. No. of A	cres in lease	17. Spacing Unit de	licated to this well	· · · · · · · · · · · · · · · · · · ·
property or lease line, ft. (Also to nearest drig. unit line, if any)	400.00		40.00		
18. Distance from proposed location* to nearest well, drilling, completed, REFER TO	19. Propose	d Depth	20. BLM/BIA Bond		
applied for, on this lease, ft. TOPO C	9280'		BOND NO: WY	B000291	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5172'GL	22. Approxi	mate date work wi	11 start*	23. Estimated duration	
	24. A	ttachments			
The following, completed in accordance with the requirements of On	shore Oil and	Gas Order No. 1, s	hall be attached to this	form:	
Well plat certified by a registered surveyor.		4. Bond to co	ver the operations un	ess covered by an exist	ing hand on file (see
2. A Drilling Plan.		Item 20 ab		out of the by all oxist	ing sond on the (see
3. A Surface Use Plan (if the location is on National Forest System I	ands, the	5. Operator ce	,		
SUPO shall be filed with the appropriate Forest Service Office.				n and/or plans as may t	se required by the
		authorized		in and or plans as may t	be required by the
25. Signfurn 1 - la Carla lim	Nar	ne (<i>Printed/Typed</i> ,)		Date
	;SH	EILA UPCHE	GO		8/15/2007
Titide					······································
SENIOR LAND ADMIN SPECIALIST			,		
Approved by (Signature)	Nar	ne (Printed/Typed)		i	Date O O O
Title	1	BRADLE		i	08-29-07
M. M.	lom	E NVIRONMEN™	TAL MANAGER		
Application approval does not warrant or certify that the applicant ho	olds legal or eq	uitable title to thos	e rights in the subject 1	ease which would entit	le the applicant to conduct
operations thereon.			2 3,		· · · · · · · · · · · · · · · · · · ·

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

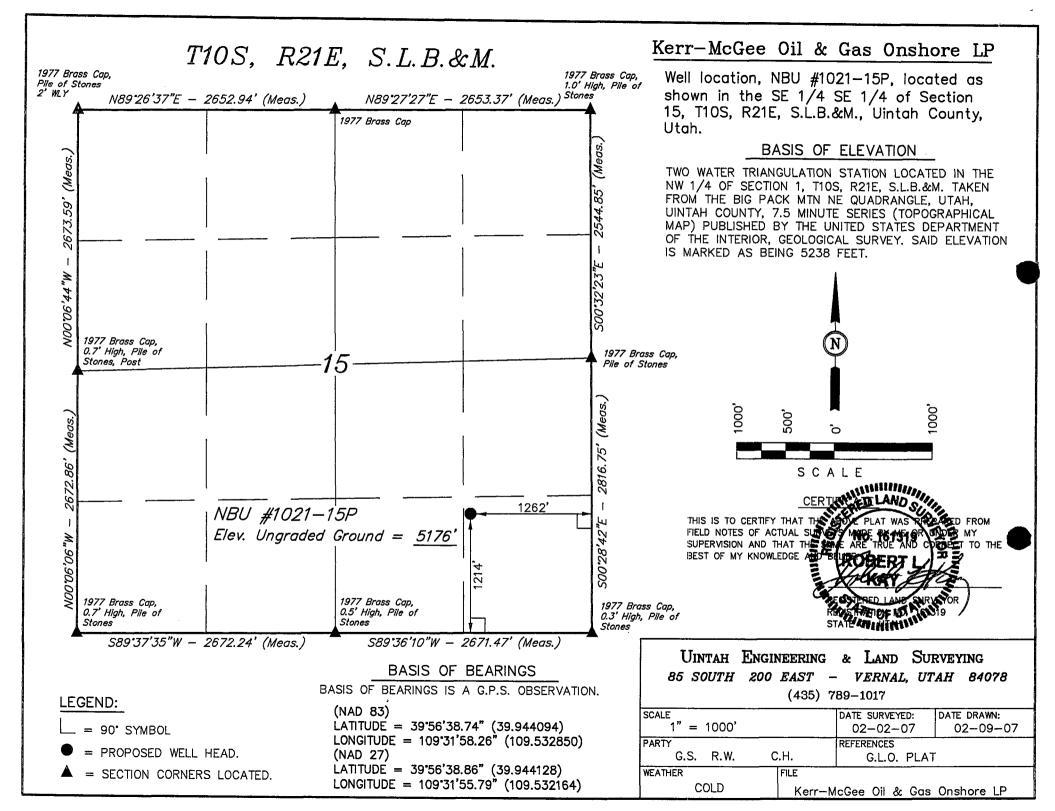
*(Instructions on reverse)

RECEIVED

AUG 2 1 2007

DIV. OF OIL, GAS & MINING

Federal Approval of this Action is Necessary



NBU #1021-15P SE/SE SEC 15, T10S, R21E UINTAH COUNTY, UTAH UTU-01791-A

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1150'
Top of Birds Nest Water	1376'
Mahogany	1766'
Wasatch	4333'
Mesaverde	7120'
MVU2	8090'
MVL1	8623'
TD	9280'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

Substance	<u>Formation</u>	<u>Depth</u>
	Green River	1150'
	Top of Birds Nest Water	1376'
	Mahogany	1766'
Gas	Wasatch	4333'
Gas	Mesaverde	7120'
Gas	MVU2	8090'
Gas	MVL1	8623'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. **Proposed Casing & Cementing Program:**

Please see the Natural Buttes Unit SOP.

5. <u>Drilling Fluids Program</u>:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. Abnormal Conditions:

Maximum anticipated bottomhole pressure calculated at 9280' TD, approximately equals 5754 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3712 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

Drilling is planned to commence immediately upon approval of this application.

9. <u>Variances:</u>

Please see Natural Buttes Unit SOP.

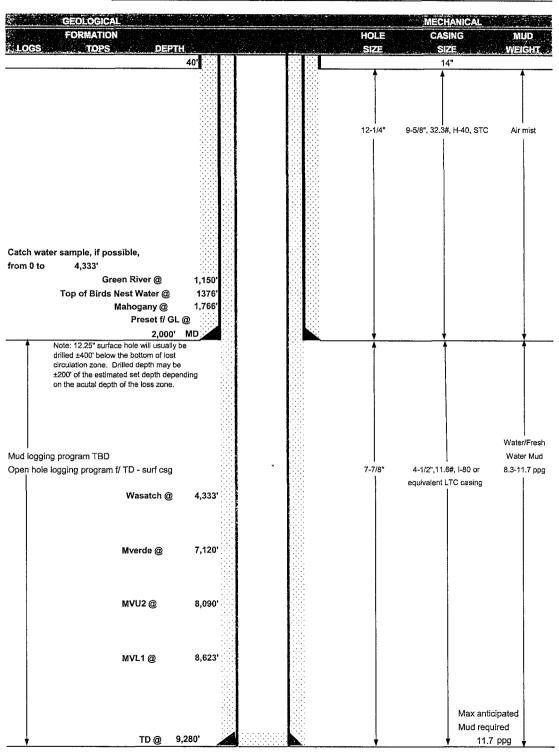
10. Other Information:

Please see Natural Buttes Unit SOP.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPAN	Y NAME	KERR-McGEE OIL &	GAS ONSHORE	LP	DATE	August 1	5, 2007		
WELL NA	ME _	NBU 1021-15P			TD	9,280'	MD/TVD		
FIELD	Natural Butte	sCOU	NTY Uintah	STATE	Utah	ELEVATION	5,172' GL	KE	3 5,187'
SURFACE	LOCATION	SE/SE SEC. 15, T	10S, R21E 1214'I	FSL, 126	2'FEL			BHL	Straight Hole
		Latitude: 39.94	14094 Longitud	de: 109	9.532850				
OBJECTI\	VE ZONE(S)	Wasatch/Mesaver	de						
ADDITION	NAL INFO	Regulatory Agencies: BLM (SURF & MINERALS), UDGOM, Tri-County Health Dept.							





KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

									ESIGN FACT	ORS
	SIZE	II.	TERV	VL	WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	14"		0-40'							
								2270	1370	254000
SURFACE	9-5/8"	0	to	2000	32.30	H-40	STC	0.63******	1.46	4.49
								7780	6350	201000
PRODUCTION	4-1/2"	0	to	9280	11.60	I-80	LTC	2.16	1.12	2.14

¹⁾ Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)

(Burst Assumptions: TD = 11.7 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP 3604 psi

Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

				-	ا برومون متحمون ا	CONTRACT CON
	発見 の	DESCRIPTION	570(2)		WEIGHT	MAN THE PROPERTY OF THE PERSON
SURFACE LEAD	500	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1		+ .25 pps flocele				i
TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt	50		15.60	1.18
		+ 2% CaCl + .25 pps flocele				
TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE		NOTE: If well will circulate water to s	urface, op	tion 2 will b	e utilized	
Option 2 LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite	170	35%	11.00	3.82
	}	+.25 pps Flocele + 3% salt BWOC		'		
TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
		+ .25 pps floceie	i			
TOP OUT CMT as required		Premium cmt + 2% CaCl	as req.		15.60	1.18
			i			
PRODUCTION LEAD	3,830'	Premium Lite II + 3% KCI + 0.25 pps	420	60%	11.00	3.38
		cellofiake + 5 pps gilsonite + 10% gel				
	1	+ 0.5% extender				
	[
TAIL 5,450'		50/50 Poz/G + 10% salt + 2% gel	1520	60%	14.30	1.31
		+.1% R-3				

^{*}Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

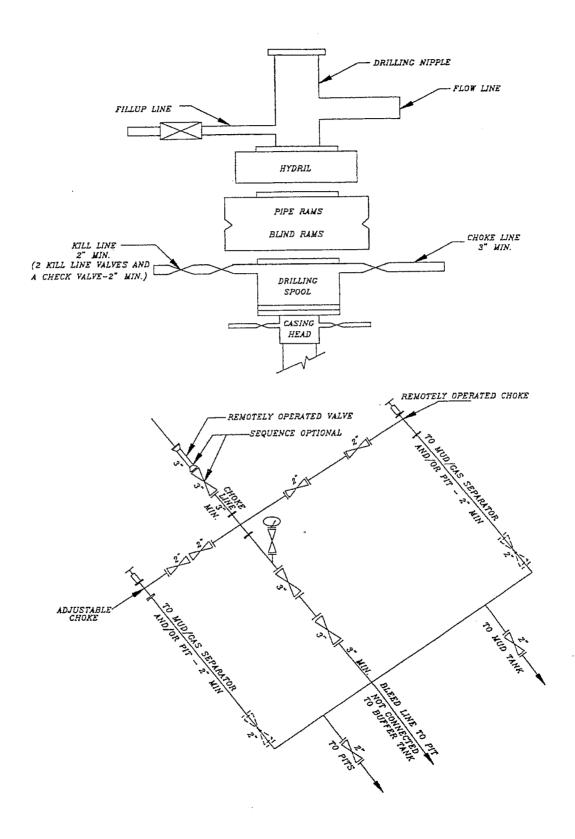
ADDITIONAL INFORMATION

	Test casing head to 750 psi af	er installing. Test surface casing to 1,500 psi prior to drilling	out.					
,	BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder &							
	tour sheet. Function test rams	on each trip. Maintain safety valve & inside BOP on rig floo	r at all times. Kelly to be equipped with upper					
	& lower kelly valves.							
	Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.							
	Most rigs have PVT Systems t	or mud monitoring. If no PVT is available, visual monitoring v	will be utililzed.					
DRILLING	ENGINEER:		DATE:					
		Brad Laney						
DRILLING	SUPERINTENDENT:		DATE:					
		Randy Bayne						

²⁾ MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)

^{*}Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU #1021-15P SE/SE SEC 15, T10S, R21E UINTAH COUNTY, UTAH UTU-01791-A

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to the attached location directions.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

2. Planned Access Roads:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

Approximately 300' +/- of access road is proposed. Please refer to the attached Topo Map B.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see the Natural Buttes Unit SOP.

Approximately 2825' +/- of 4" steel pipeline is proposed pipeline. Please refer to the attached Please refer to Topo Map D The pipeline was re-routed due to avoid the county road.

Variances to Best Management Practices (BMPs) Requested:

The pipeline shall be installed on surface within the access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon Brown (2.5Y 6/2), a non-reflective earthtone.

5. Location and Type of Water Supply:

Please see the Natural Buttes SOP.

6. Source of Construction Materials:

Please see the Natural Buttes SOP.

7. Methods of Handling Waste Materials:

Please see the Natural Buttes SOP.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E (Request is in lieu of filing Form 3160-5, after initial production).

8. Ancillary Facilities:

Please see the Natural Buttes SOP.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A 20 mil reserve pit liner with felt will be used. As discussed at the on-site inspection.

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be resurveyed and a form 3160-5 will be submitted.

10. Plans for Reclamation of the Surface:

Please see the Natural Buttes SOP.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for *drilled* seed are:

Fourwing Saltbrush	4 lbs.
Galleta Grass	12 lbs.
Shadscale	4 lbs

Operator shall call the BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

The well pad and access road are located on lands owned by:

United States of America Bureau of Land Management 170 South 500 East Vernal, UT 84078 (435)781-4400

12. Other Information:

A Class III Archaeological Survey Report, has been performed and will be submitted when report becomes available.

The paleontological survey has been performed and will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying with the boundaries of the unit.

13. Lessee's or Operator's Representative & Certification:

Sheila Ucphego Senior Land Admin Specialist Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078 (435) 781-7024 Randy Bayne Drilling Manager Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078 (435) 781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BLM Nationwide Bold #WYB000291.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Sheila Upchego

8/

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-15P SECTION 15, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 5.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 300' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 47.6 MILES.

Kerr-McGee Oil & Gas Onshore LP

NBU #1021-15P LOCATED IN UINTAH COUNTY, UTAH SECTION 15, T10S, R21E, S.L.B.&M.

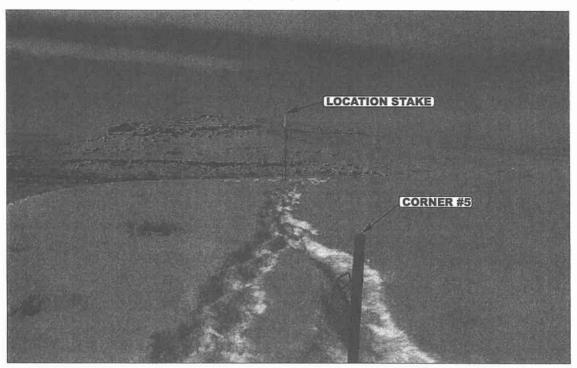


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



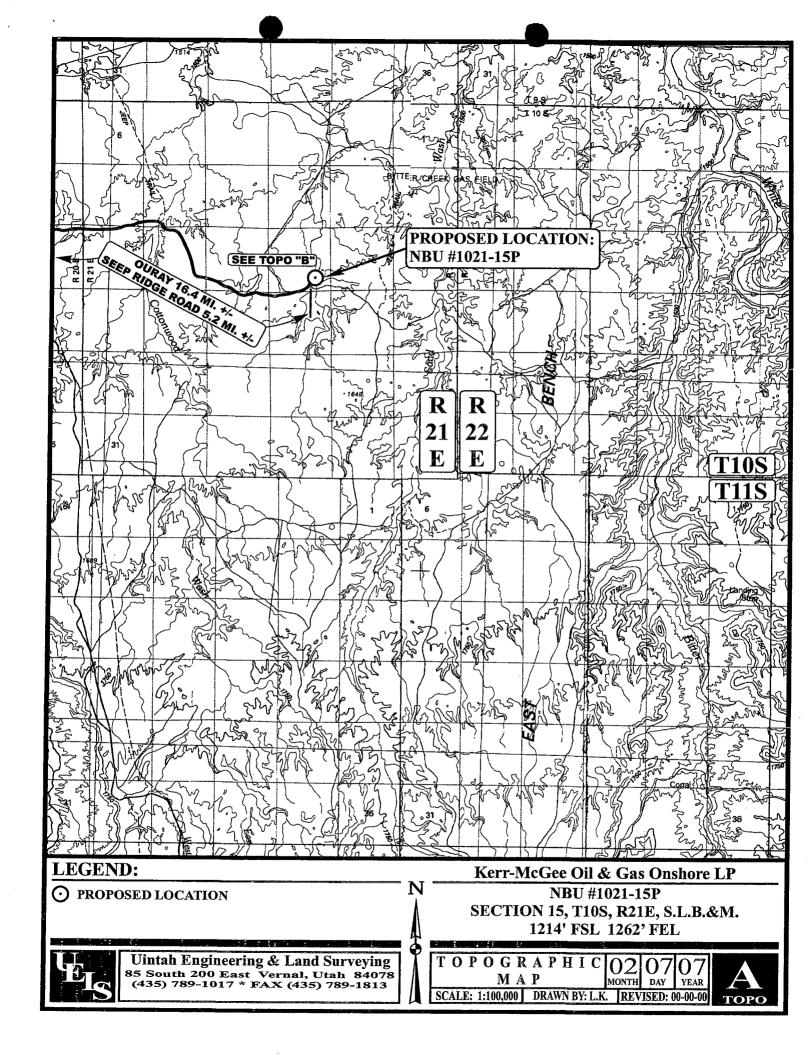
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

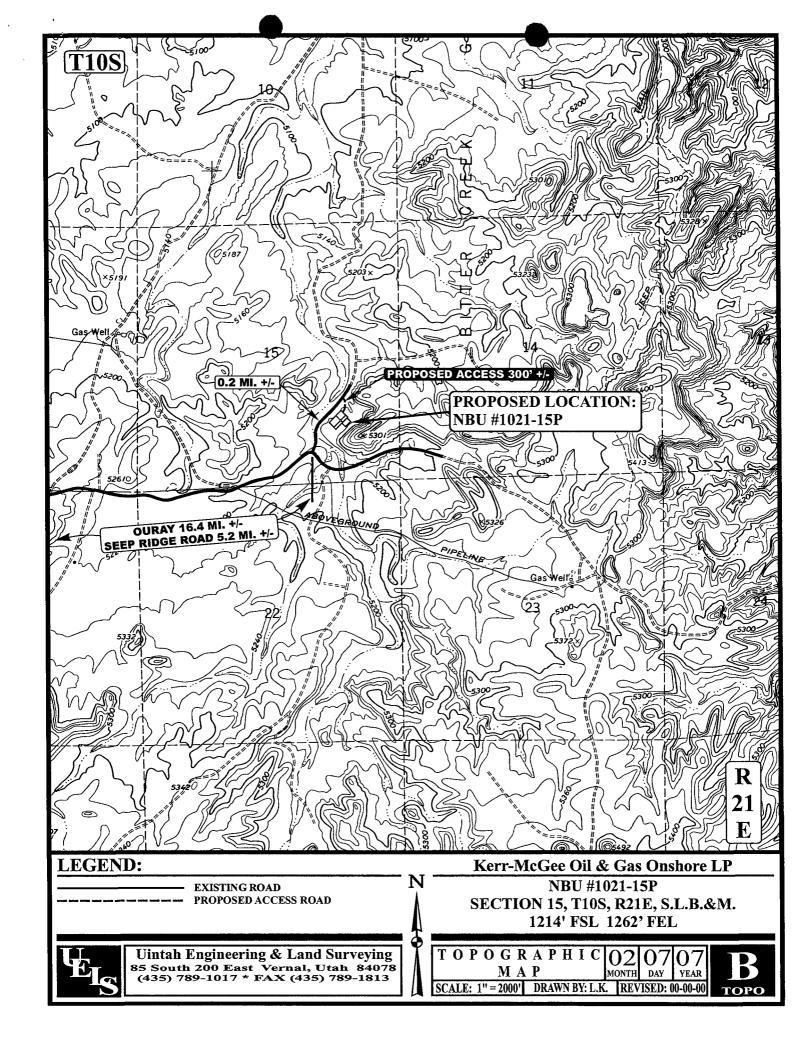
LOCATION PHOTOS

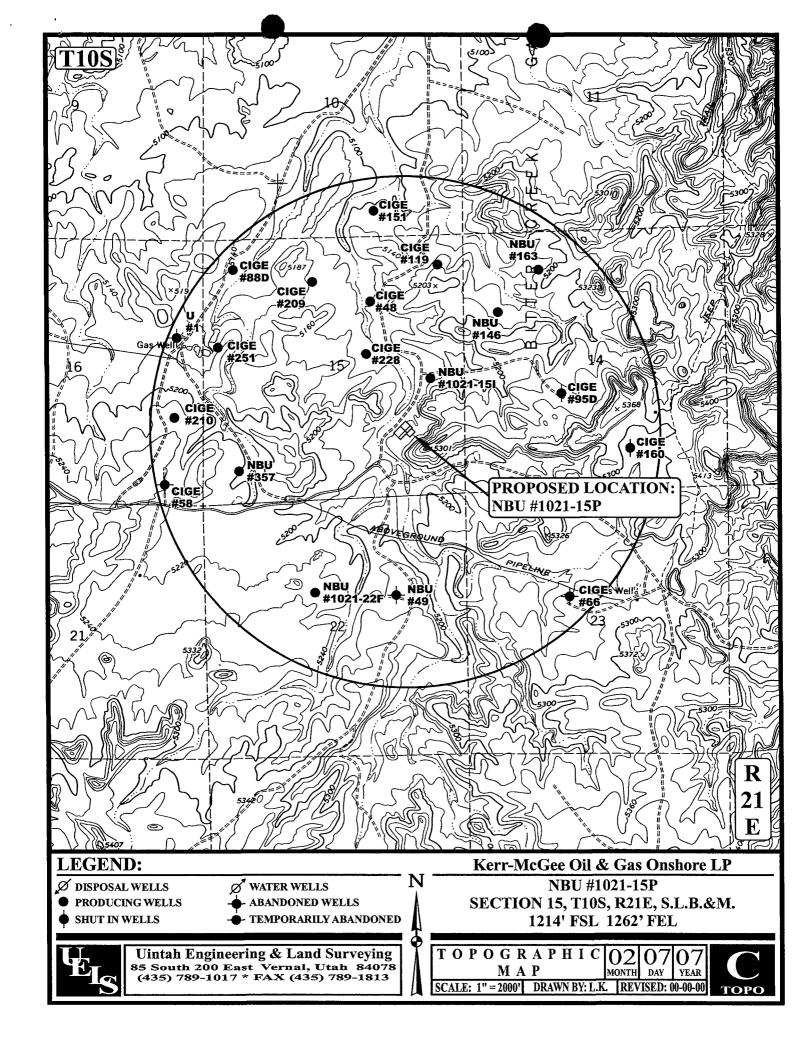
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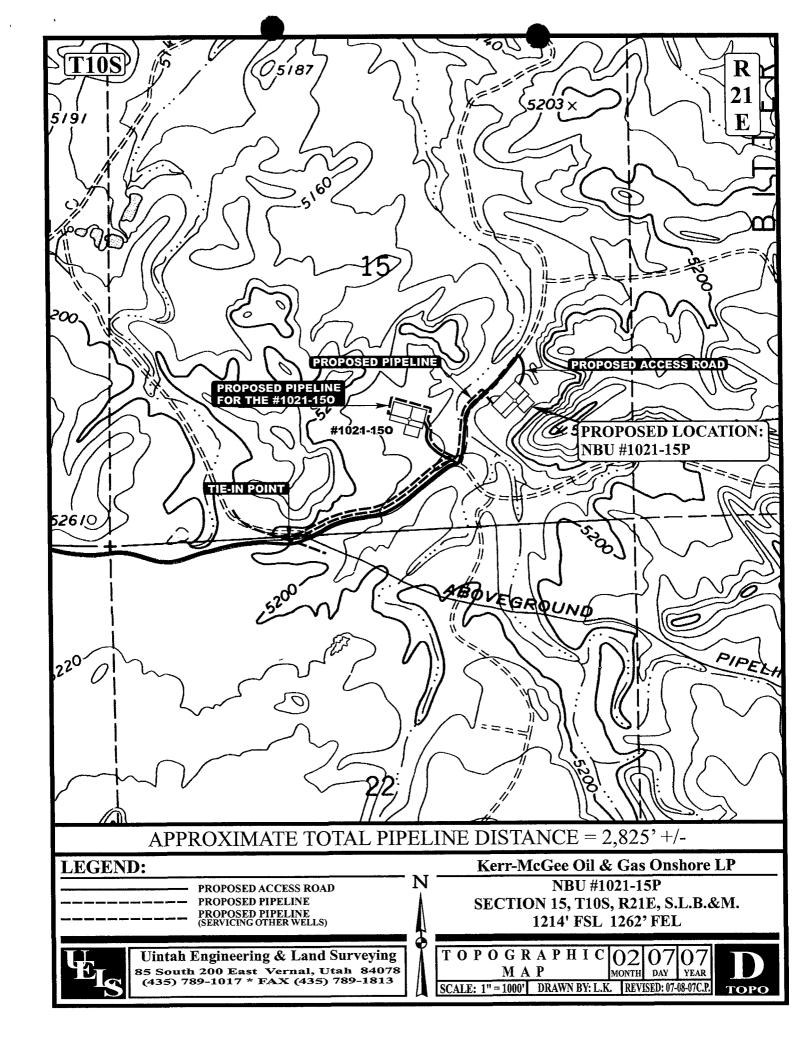
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TAKEN BY: L.K. | DRAWN BY: L.K. | REVISED: 00-00-00









Kerr-McGee Oil & Gas Onshore LP

NBU #1021-15P
PIPELINE ALIGNMENT
LOCATED IN UINTAH COUNTY, UTAH
SECTION 15, T10S, R21E, S.L.B.&M.

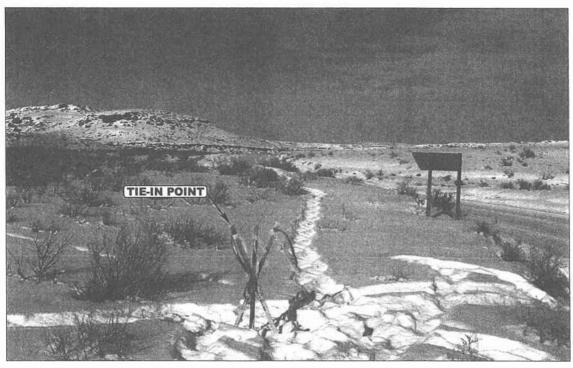


PHOTO: VIEW OF TIE-IN POINT

CAMERA ANGLE: NORTHEASTERLY



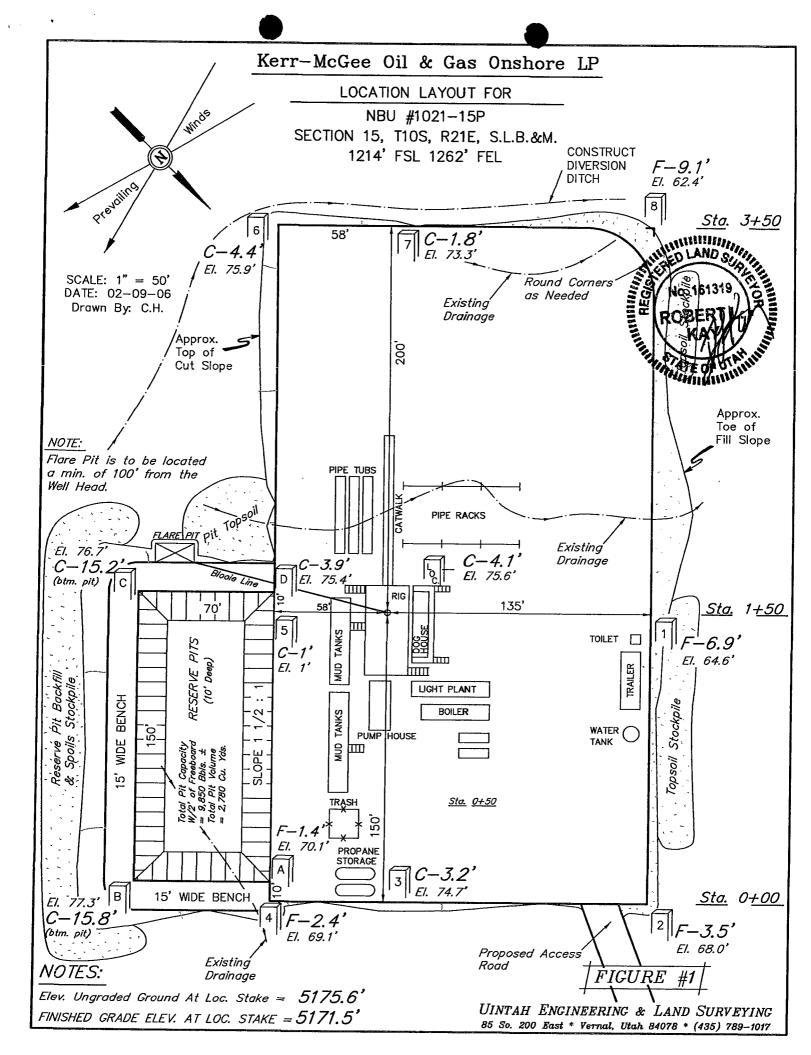
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

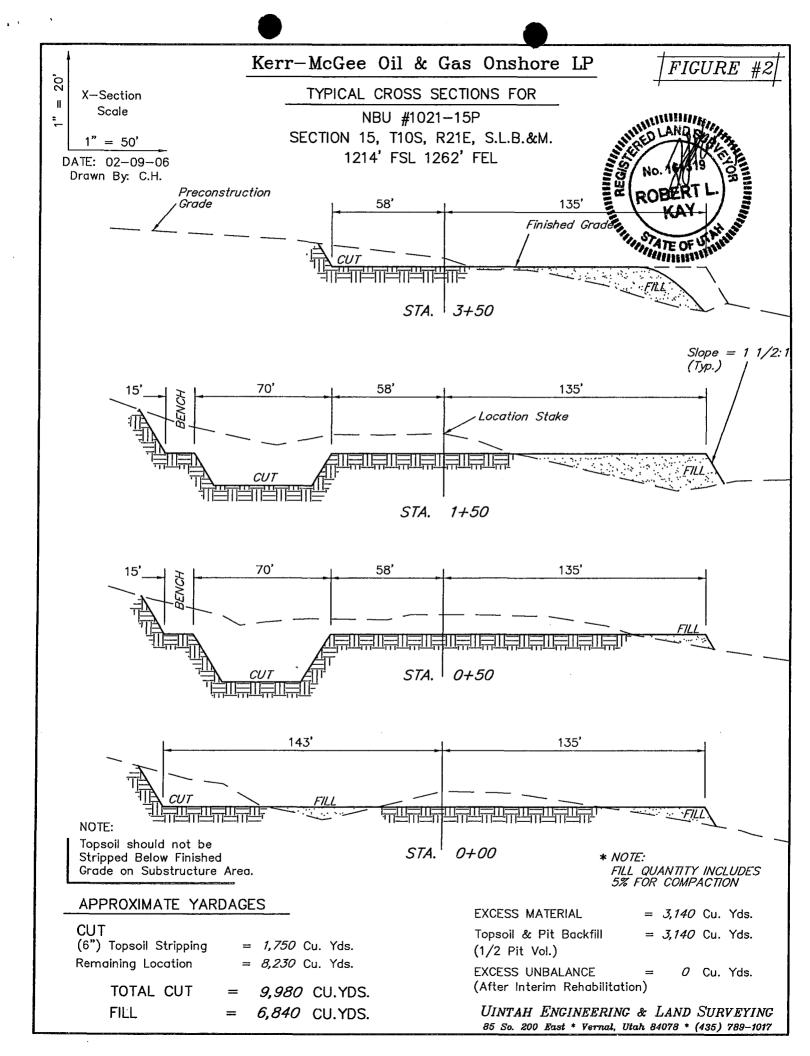
PIPELINE PHOTOS

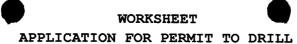
02 07 07 MONTH DAY YEAR

РНОТО

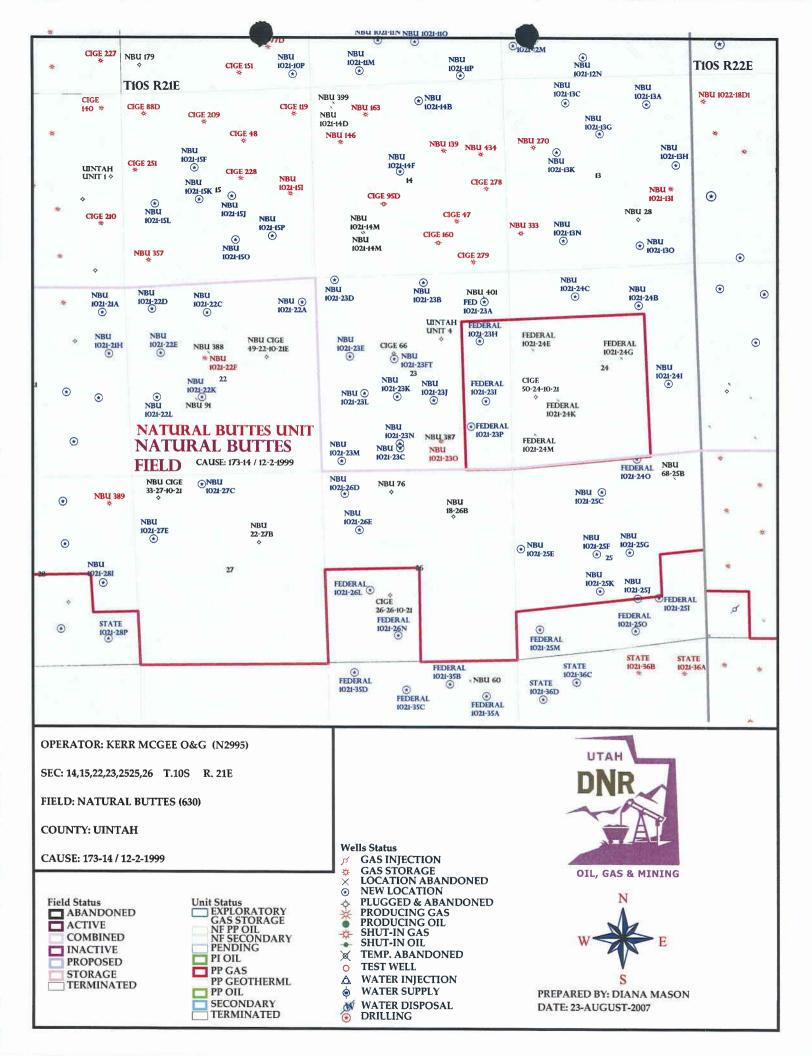
TAKEN BY: L.K. DRAWN BY: L.K. REVISED: 00-00-00







PHONE NUMBER: 435-781-7024
INSPECT LOCATN BY: / /
Tech Review Initials Date
Engineering
Geology
Surface
PROPOSED FORMATION: WSMVD
COALBED METHANE WELL? NO
LOCATION AND SITING: R649-2-3. Unit: NATURAL BUTTES R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells R649-3-3. Exception
Drilling Unit Board Cause No: 173-14
Eff Date: 12299 Siting: 440 h ubane uncommen
R649-3-11. Directional Drill
Silv



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

August 29, 2007

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2007 Plan of Development Natural Buttes Unit

Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2007 within the Natural Buttes Unit, Uintah County, Utah.

API#

WELL NAME

LOCATION

(Proposed PZ Wasatch/MesaVerde)

```
43-047-39540 NBU 922-30L-T Sec 30 T09S R22E 2106 FSL 0817 FWL
43-047-39542 NBU 1021-14B Sec 14 T10S R21E 0439 FNL 2355 FEL
43-047-39543 NBU 1021-14F Sec 14 T10S R21E 2404 FNL 2387 FWL
43-047-39544 NBU 1021-150 Sec 15 T10S R21E 1127 FSL 2304 FEL
43-047-39545 NBU 1021-15K Sec 15 T10S R21E 2277 FSL 2041 FWL
43-047-39546 NBU 1021-15L Sec 15 T10S R21E 2188 FSL 0783 FWL
43-047-39547 NBU 1021-15F Sec 15 T10S R21E 2164 FNL 1915 FWL
43-047-39548 NBU 1021-15J Sec 15 T10S R21E 2361 FSL 2372 FEL
43-047-39563 NBU 1021-15P Sec 15 T10S R21E 1214 FSL 1262 FEL
43-047-39564 NBU 1021-22C Sec 22 T10S R21E 0902 FNL 2194 FWL
43-047-39549 NBU 1021-22K Sec 22 T10S R21E 2088 FSL 2006 FWL
43-047-39550 NBU 1021-22A Sec 22 T10S R21E 0668 FNL 0469 FEL
43-047-39551 NBU 1021-22L Sec 22 T10S R21E 2114 FSL 0725 FWL
43-047-39565 NBU 1021-22D Sec 22 T10S R21E 0769 FNL 0641 FWL
43-047-39566 NBU 1021-22E Sec 22 T10S R21E 2000 FNL 0860 FWL
43-047-39567 NBU 1021-23E Sec 23 T10S R21E 2201 FNL 0846 FWL
43-047-39569 NBU 1021-23B Sec 23 T10S R21E 0175 FNL 2391 FEL
43-047-39557 NBU 1021-23K Sec 23 T10S R21E 2021 FSL 2152 FWL
43-047-39558 NBU 1021-23N Sec 23 T10S R21E 0699 FSL 2196 FWL
43-047-39559 NBU 1021-23D Sec 23 T10S R21E 0065 FNL 0460 FWL
43-047-39560 NBU 1021-23L Sec 23 T10S R21E 2126 FSL 1227 FWL
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      43-047-39570
      NBU
      1021-23C
      Sec
      23
      T10S
      R21E
      0567
      FSL
      2203
      FWL

      43-047-39572
      NBU
      1021-23J
      Sec
      23
      T10S
      R21E
      1906
      FSL
      2167
      FEL

      43-047-39574
      NBU
      1021-23M
      Sec
      23
      T10S
      R21E
      0233
      FSL
      0552
      FWL

      43-047-39575
      NBU
      1021-25J
      Sec
      25
      T10S
      R21E
      1621
      FSL
      1890
      FEL

      43-047-39561
      NBU
      1021-25K
      Sec
      25
      T10S
      R21E
      1848
      FSL
      2394
      FWL

      43-047-39579
      NBU
      1021-26E
      Sec
      26
      T10S
      R21E
      1706
      FNL
      0992
      FWL

      43-047-39580
      NBU
      1021-26D
      Sec
      26
      T10S
      R21E
      1695
      FNL
      0614
      FWL

      43-047-39578
      NBU
      1021-25F
      Sec
      25
      T10S
      R21E
      2477
      FNL
      2323
      FWL

      43-047-39541
      NBU
      1021-3I<
```

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Natural Buttes Unit
 Division of Oil Gas and Mining
 Central Files
 Agr. Sec. Chron
 Fluid Chron

MCoulthard:mc:8-29-07





MICHAEL R. STYLER Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA Division Director

August 29, 2007

Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, Ut 84078

Re:

NBU 1021-15P Well, 1214' FSL, 1262' FEL, SE SE, Sec. 15, T. 10 South, R. 21 East,

Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39563.

Sincerely,

GII Hunt

Associate Director

pab Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal Office



Operator:	Kerr-McGee Oil & Gas Onshore LP				
Well Name & Number	NBU 10)21-15P			
API Number:	43-047-	39563			
Lease:	UTU-0	1791-A			
Location: SE SE	Sec. 15	T. 10 South	R. 21 East		

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-01791A
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME: 891008900A
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: NBU 1021-15P
2. NAME OF OPERATOR: Kerr-McGee Oil & Gas Onshore, LP	9. API NUMBER: 4304739563
3. ADDRESS OF OPERATOR: P.O. Box 173779	10. FIELD AND POOL, OR WILDCAT: Natural Buttes Field
4. LOCATION OF WELL.	radia bates red
FOOTAGES AT SURFACE: 1214' FSL & 1262' FEL	соинту: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 15 10S 21E	STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	ORT, OR OTHER DATA
TYPE OF SUBMISSION TYPE OF ACTION	
NOTICE OF INTENT (Submit in Duplicate) ACIDIZE DEEPEN FRACTURE TREAT	REPERFORATE CURRENT FORMATION
(Submit in Duplicate)	SIDETRACK TO REPAIR WELL
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TEMPORARILY ABANDON
CHANGE TUBING PLUG AND ABANDON	UBING REPAIR VENT OR FLARE
SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK	WATER DISPOSAL
(Submit Original Form Only) CHANGE WELL STATUS PRODUCTION (START/RESUME)	WATER SHUT-OFF
Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	✓ OTHER: APD Extension
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volui	mes, etc.
Kerr-McGee Oil & Gas Onshore, LP, respectfully requests a one year extension of this AP operations. Utah Division of Oil, Gas, and Mining initially approved this APD on August 29	
Approved by the	
Utah Division of	
Oil, Gas and Mining	
Date: 08-12-08	COPY SENT TO OPERATOR
By: Rellelll	Date: 8 · 14 · 2008
	Initials: KS
NAME (PLEASE PRINT) Kevin McIntyre TITLE Regulatory Anal	lyst I

(This space for State use only)

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Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

Well Name: NBU 1021-15P Location: SESE 1214' FSL & 1262' FEL, Sec 15, T10S, R21E Company Permit Issued to: Kerr-McGee Oil & Gas Onshore, LP Date Original Permit Issued: 8/29/2007
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be verified.
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes □ No ☑
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes□No☑
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes □ No ☑
Has the approved source of water for drilling changed? Yes□No☑
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑
Is bonding still in place, which covers this proposed well? Yes ☑No□
8/11/2008
Signature Date
Title: Regulatory Analyst I
Representing: Kerr-McGee Oil & Gas Onshore, LP

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GARY R. HERBERT Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

February 24, 2009

Raleen White Anadarko Petroleum Corp. PO Box 173779 Denver, CO 80217-3779

43 CAT 395 63 NBU 1021-15 P 215 105

Re: APDs Rescinded at the request of Anadarko Petroleum Corp.

Dear Ms. White:

Enclosed find the list of APDs that you requested to be rescinded to Anadarko Petroleum Corp. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective February 20, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Environmental Scientist

Well File cc:

Bureau of Land Management, Vernal

SITLA, Ed Bonner



43047395730000	FEDERAL 1021-23P	10S	21E	23	SESE
43047395770000	FEDERAL 1021-25I	10S	21E	25	NESE
43047395760000	FEDERAL 1021-25M	10S	21E	25	SWSW
43047397930000	Federal 1021-25N	10S	21E	25	SESW
43047395810000	FEDERAL 1021-34K	10S	21E	34	NESW
43047395520000	FEDERAL 1021-34M	10S	21E	34	SWSW
43047395560000	FEDERAL 1021-34P	10S	21E	34	SESE
43047389890000	FEDERAL 1021-35F	108	21E	35	SENW
43047389760000	FEDERAL 1021-35G	10S	21E	35	SWNE
43047389380000	FEDERAL 1021-35H	10S	21E	35	SENE
43047389350000	FEDERAL 1021-35I	10\$	21E	35	NESE
43047389330000	FEDERAL 1021-35P	10\$	21E	35	SESE
43047389370000	FEDERAL1021-35A	108	21E	35	NENE
43047365050000	LOVE 1121-2B	118	21E	02	NWNE
43047394050000	LOVE UNIT 1121-10NT	11S	21E	10	SESW
43047393910000	LOVE UNIT 1121-3NT	118	21E	03	SWSW
43047388240000	LOVE UNIT 1122-18C	118	22E	18	NENW
43047388250000	LOVE UNIT 1122-18J	118	22E	18	NWSE
43047388260000	LOVE UNIT 1122-18K	11S	22E	18	NESW
43047396050000	LOVE UNIT 1122-18L	11S	22E	18	NWSW
43047396030000	LOVE UNIT 1122-19C	11S	22E	19	NENW
43047386310000	MULLIGAN 823-23H	08S	23E	23	SENE
43047387130000	MULLIGAN 823-240	08\$	23E	24	SWSE
43047393730000	NBU 1020-1KT	10S	20E	01	NESW
43047393740000	NBU 1020-24BT	108	20E	24	NWNE
43047393760000	NBU 1021-11I	10S	21E	11	NESE
43047393800000	NBU 1021-11M	10S	21E	11	SWSW
43047393790000	NBU 1021-11P	10S	21E	11	SESE
4304739383	NBU 1021-12A	10S	21E	12	NENE
43047393860000	NBU 1021-12L - STATE	10S	21E	12	NWSW
43047393840000	NBU 1021-12N	10S	21E	12	SESW
43047395470000	NBU 1021-15F	10S	21E	15	SENW
43047395460000	NBU 1021-15L	10S	21E	15	NWSW
43047395630000	NBU 1021-15P	10S	21E	15	SESE
43047395260000	NBU 1021-20G STATE/FED	10S	21E	20	SWNE
43047395340000	NBU 1021-20J STATE/FED	10S	21E	20	NWSE
43047395330000	NBU 1021-20K STATE/FED	10S	21E	20	NESW
43047395320000	NBU 1021-20L STATE/FED	108	21E	20	NWSW
43047395310000	NBU 1021-200 STATE/FED	10S	21E	20	SWSE
43047375280000	NBU 1021-21C (FKA C275)	10S	21E	21	NENW
43047367020000	NBU 1021-21H	10S	21E	21	SENE
43047395500000	NBU 1021-22A	10S	21E	22	NENE
43047394030000	NBU 1021-23FT	10S	22E	23	SENW
43047395600000	NBU 1021-23L	10S	21E	23	NWSW
43047395780000	NBU 1021-25F	10S	21E	25	SENW
43047395750000	NBU 1021-25J	10S	21E	25	NWSE
43047395610000	NBU 1021-25K	10S	21E	25	NESW

43047395800000	NBU 1021-26D	10S	21E	26	NWNW
43047395790000	NBU 1021-26E	10S	21E	26	SWNW
43047379680000	NBU 1021-6C	108	21E	06	NENW LOT 3
43047379670000	NBU 1021-6D	10S	21E	06	NWNW LOT 4
43047379410000	NBU 1021-7B	10S	21E	07	NWNE
43047401850000	NBU 921-31BT	09S	21E	31	NWNE
43047363950000	NBU 921-33K	09S	21E	33	NESW
4304740038	HATCH 923-13A	098	23E	13	NENE
4304740060	HATCH 923-13ED	09S	23E	13	SWNW
4304740059	HATCH 923-13O	09S	23E	13	SWSE
4304740061	HATCH 923-14M	09S	23E	14	swsw
4304740143	HATCH 923-14O	09S	23E	14	SWSE
4304740064	HATCH 923-15B	09S	23E	15	NWNE
4304740062	HATCH 923-15L	09S	23E	15	NWSW
4304740063	HATCH 923-15P	09S	23E	15	SESE
4304740065	HATCH 923-24O	09S	23E	24	SWSE
4304740069	HATCH 923-25A	09S	23E	25	NENE
4304740068	HATCH 923-25I	09S	23E	25	NESE
4304740070	HATCH 923-25O	09S	23E	25	SWSE
43047388010000	FEDERAL 1022-15H	10S	22E	15	SENE
4304739388	FEDERAL 1022-15K	10S	22E	15	NESW
43047389240000	FEDERAL 1022-15L	10S	22E	15	NWSW



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office 170 South 500 East Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410 http://www/blm.gov/ut/st/en/fo/vernal/html



IN REPLY REFER TO: 3160
LLUTG01100

March 2, 2009

Raleen White Kerr McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779 43047-39563

Re:

Return Unapproved APD Well No. NBU 1021-15P SESE, Sec. 15, T10S, R21E Uintah County, Utah Lease No. UTU-01791-A Natural Buttes Unit

Dear Ms. White:

The Application for Permit to Drill (APD) for the above referenced well received August 16, 2007, is being returned unapproved per your request to this office in an email message on February 20, 2009. If you intend to drill at this location at a future date, a new APD must be submitted.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson Land Law Examiner

Enclosures

cc: UDOGM

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